GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1972
ANSWERED ON:28.11.2016
Tea Quality
Kothapalli Smt. Geetha;Udhayakumar Shri M.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government is aware that the 20 per cent export clause in 12th Plan scheme for upgrading tea quality is proving to be dampener for the industry as the clause is restrictive and if so, the details thereof;
(b) whether the Tea Board has agreed that the 20 per cent export obligation would make it difficult for tea companies to avail the scheme and if so, the details thereof;
(c) whether the Quality Upgrade and Product Diversification (QUPD) Scheme has been successful and if so, the details thereof and if not, the reasons therefor along with the details of the gardens which have availed of the said scheme;
(d) whether the 25 per cent subsidy available through the scheme is mainly for upgrading machinery for producing orthodox tea which enjoy higher prices in the export market when compared with CTC tea and if so, the details thereof;
(e) whether it is also true that against an average cost of production of about Rs. 180 for producing a kilogram of CTC tea, the cost of orthodox tea is about Rs. 210 a Kg and if so, the details thereof;
(f) whether a similar scheme during the 11th Plan was very successful as it did not have the export clause and if so, the details thereof; and
(g) whether Sri Lanka and Indonesia are proving to be tough competitors in this segment and if so, the details thereof and the manner in which the Government will face this situation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) & (b): Representations has been received regarding the conditionality of 20 per cent export obligation in Quality Upgradation and Product Diversification (QUPD) component under the 12th plan scheme of the Tea Board. However, the objective of the Scheme is to enhance the quality of made tea by way of giving incentives for modernization of tea manufacturing units, warehouses, units dealing with value addition of tea, Organic tea production and production of Orthodox/Green tea with the ultimate goal of enhancement of export of Indian tea. Accordingly, the clause of 20 per cent export obligation has been kept in the operational modalities.

(c): The scheme with the conditionality of 20 per cent export obligation is under implementation since 10.12.2014. The details of beneficiaries under QUPD component is placed at Annexure-1. Tea Board has been directed for conducting outcome review of the Scheme, including the QUPD Component.

(d): As per scheme guidelines, 25 per cent subsidy is provided for replacement of old and worn-out tea machineries. However, 40 per cent subsidy is provided for procurement and installation of machinery for manufacturing orthodox tea in 100 per cent CTC factories and setting up of new factories for production of green tea, orthodox tea and specialty teas as product diversification.

(e): The cost of production is dependent on seasonal variations and from region to region. Orthodox tea is observed to have about 12 to 20 per cent more production cost than CTC tea.

(f): Since there was no conditionality regarding export obligation, more number of estates could be covered during 11th Plan. However, since the ultimate aim of the scheme is for promotion of export of Indian tea, the export obligation clause has been introduced in 12th Plan. Moreover, the Scheme is being implemented with effect from 10.12.2014 rather than from the beginning of 12th Plan. A cumulative financial assistance of Rs 6.56 crore has been given to 93 estates so far.
(g): Sri Lanka and Indonesia, being the major orthodox tea producers are the closest competitors to India in the orthodox tea segment. For giving boost to tea export, including orthodox tea, Tea Board is implementing a dedicated and focused promotional programme called "Project 5-5-5" since 2012-13 for extensive promotion of India Tea Logo, engagement with the local trading community, consumer-oriented promotion, utilisation of social media and focus on export of value-added teas in five target markets, namely Russia, Iran, USA, Kazakhstan and Egypt.
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Annexure-1

List of Beneficiary Tea Estates under Component of QUPD since 10.12.2014 i.e. the date of approval of the 12th Plan of Tea Board "Tea Development and Promotion Scheme"

SL. No.	A/C year	State	Name of Garden	Name of Company	Amount (Rs)
1	2014-15	Assam	Tengpani	Gillanders Arbuthnot &Co.Ltd.	1285650.00
2	2014-15	Assam	Madhuting	Madhuting Tea Pvt.Ltd.	1514430.00
3	2014-15	Assam	Langharjan	The Jorehaut Group Limited	1354060.00
4	2014-15	Assam	Marangi	MarangiPvt.Ltd.	644770.00
5	2014-15	Assam	Bogapani	Mcleod Russel India Ltd.	1325400.00
6	2014-15	Assam	Numaligarh	Jorehaut Group Ltd.	175000.00
7	2014-15	Assam	Prime Rose	Primerose Green Tea Industry	1083470.00
8	2014-15	Assam	Dhelakhat	Dhelakhat Tea Co. Ltd.	858434.00
9	2014-15	Assam	Dhelakhat	Dhelakhat Tea Co. Ltd.	538556.00
10	2014-15	Assam	Bokel	M. K.JokaiAgri Plantations Pvt. Ltd	19,10,848.00
11	2014-15	Assam	Jodhpur	Jodhpur Tea & Industries (P) Ltd	8,54,770.00
12	2015-16	Assam	Chandighat	Rungamattee Tea & Industries Ltd.	15,12,340.00
13	2015-16	Assam	Panitola	M.K. Jokai Agri Plantations Pvt.Ltd	19,14,639.00
14	2015-16	Assam	Anandabari	Anandabari Tea Co. Pvt.Ltd.	7,12,020.00
15	2015-16	Assam	Bokel	M.K. Jokai Agri Plantations Pvt.Ltd	12,920.00
16	2015-16	Assam	Singlijan	M.K.Shah Exports Ltd	33,480.00
17	2015-16	Assam	Muttuck	M.K.JokaiAgri Plantation (P) Ltd, A/C Muttuck Tea Estate	12,920.00
18	2015-16	Assam	Koilamari	M.K. Shah Exports Ltd	42,430.00
19	2015-16	Assam	Nowal Tea Warehouse	Nowal Tea Warehousing Corporation	29,780.00
20	2015-16	Assam	Maud	Maud Tea & Seed Company Ltd	41,370.00
21	2015-16	Assam	Jamguri	Bhumya Tea Co. Pvt. Ltd.	57,950.00
22	2015-16	Assam	Hattialli	M.K. Jokai Agri Plantations Pvt.Ltd	12,920.00
23	2015-16	Assam	Singlijan	M.K.Shah Exports Ltd	42,430.00
24	2015-16	Assam	Jamguri	Bhumya Tea Co. Pvt. Ltd.	37,380.00
25	2015-16	Assam	Tongonagaon	Tonganagaon Tea Co. Pvt Ltd	33890.00
26	2015-16	Assam	Gingia	M.K.Shah Exports Ltd	42,434.00
27	2015-16	Assam	Shyamguri	Luxmi Tea Company Limited	26,230.00
28	2015-16	Assam	Narayanpur	Tea Board Revolving Corpus Fund	37,470.00
29	2015-16	Assam	Tippuk	James Warren Tea Limited	18,48,780.00
30	2015-16	Assam	Zaloni	James Warren Tea Limited	15,30,000.00
31	2015-16	Assam	Hatijan	Dhunseri Tea & Industries Limited	38,090.00
32	2015-16	Assam	Seajuli	M.K.Shah Exports Ltd	42,435.00
33	2015-16	Assam	Jamguri	Bhumya Tea Co. Pvt. Ltd.	26,360.00
34	2015-16	Assam	Nalani	M.K.JokaiAgri Plantations (P) Ltd.	12,920.00
35	2015-16	Assam	Daisajan	M.K.JokaiAgri Plantations (P) Ltd.	12,920.00
36	2015-16	Assam	Panitola	M.K.JokaiAgri Plantations (P) Ltd.	12,920.00
37	2015-16	Assam	Monmuhinipur	Luxmi Tea Company Limited	57,810.00
38	2015-16	Assam	West Jalinga	Tea Board Revolving Corpus Fund	8,57,975.00
39	2015-16	Assam	SreeSibbari	BansidharBadridass Modi(P)Ltd.	13,49,490.00
40	2015-16	Assam	Oating	Madhupur Tea Estate Pvt.Ltd.	151750.00
41	2015-16	Assam	Sundarpur	Baruanagar Tea Estate Pvt.Ltd.	1215196.00
42	2015-16	Assam	Arin	Arin Tea Pvt.Ltd.	1802920.00
43	2015-16	Assam	Hoograjuli	Hoograjuli (Assam) Tea Company Ltd.	2,61,387.00
44	2015-16	Assam	Bazaloni	Bazaloni Group Ltd	9,37,070.00
45	2015-16	Assam	Silcoorie	The North-Western Cachar Tea Company Ltd	22,750.00
46	2015-16	Assam	Dhunseri	Dhunseri Tea & Industries Limited	36,030.00
47	2015-16	Assam	Bettybari	Dhunseri Tea & Industries Limited	33,003.00
48	2015-16	Assam	Santi	Dhunseri Tea & Industries Limited	1,19,012.00
49	2015-16	Assam	Bahipookri	Dhunseri Tea & Industries Limited	33,003.00
50	2015-16	Assam	Orang	Dhunseri Tea & Industries Limited	33,003.00
51	2015-16	Assam	Doomni	Sublime Agro Limited	13,680.00
52	2015-16	Assam	Madhupur	Madhupur Tea Estate Pvt.Ltd.	6,11,414.00
53	2015-16	Assam	Budlabeta	Apeejay Tea Limited	14,37,500.00
54	2015-16	Assam	Tongonagaon	Tonganagaon Tea Co. Pvt. Ltd.	33,890.00
55	2015-16	Assam	Tarajan	Contemporary Industries Ltd.	6,11,080.00
56	2016-17	Assam	Methoni	The Methoni Tea Co.Ltd.	11,48,804.00
57	2016-17	Assam	Singlijan	M.K.Shah Exports Ltd.	19,53,051.00
58	2016-17	Assam	Romai	Rossell Tea (Division of Rssel India Ltd.	6,47,125.00
59	2016-17	Assam	Numalighur	T.E. The Jorehaut Group Limited	24,56,577.00
60	2016-17	Assam	Menoka	T.E. M/S Menoka Tea Estate Pvt. Ltd.	23,19,636.00
61	2016-17	Assam	Chandighat	T.E. Rungamattee Tea Industries Limited	15,21,810.00
62	2016-17	Assam	Hattiali	T.E M.K. Jokai Agri Plantations Pvt. Ltd.	21,31,737.00
63	2016-17	Assam	Dikom	T.E. Rossell Tea (Division of Rossell India Ltd.	8,07,610.00
64	2016-17	Assam	Muttuck	t.E. M.K. Jokai Agri Plantations Pvt. Ltd.	19,24,485.00
65	2014-15	West Bengal	Soongachi	Soongachi Tea Industries Pvt. Ltd.	9,70,500
66	2015-16	West Bengal	Oodlabari	The Oodlabari Co. Ltd.	11,25,000

67 2015-16 West Bengal Cooch Bihar Coochbehar Tea Company Limited 17,17,217
68 2015-16 West Bengal Balaji TF Balaji Agro International 7989
69 2015-16 West Bengal Tukvar BD Tea Estates Pvt. Ltd. 142335
70 2015-16 West Bengal Darjeeling Organic Darjeeling Organic T E Pvt. Ltd. 93145
71 2015-16 Delhi JK T.F. JK Tea Estate 789000
72 2015-16 West Bengal Atal Atal Tea Estate 1048000
73 2015-16 West Bengal Azamabad Azmabad Tea Co. Ltd 928186
74 2015-16 West Bengal Bio Tea Estate Ltd. Bio Tea Estate Ltd. 50896
75 2015-16 West Bengal Bush T.F. Bush Tea Co. Pvt. Ltd. 77046
76 2015-16 West Bengal Essels Fund Mgt. Essels Fund Mgt. (P) Ltd. 1098200
77 2015-16 West Bengal FulbariPatan FulbariPatan Tea Estate 673933
78 2015-16 West Bengal I D A Organic I D A Organic Pvt. Ltd. 28691
79 2015-16 West Bengal Jatinga Tea Ltd. T.F. Jatinga Tea Ltd. 1511676
80 2015-16 West Bengal Mansarovar T.F. Mansarovar Tea Pvt. Ltd. 2500000
81 2015-16 West Bengal Premier T.F. Premier''s Tea Ltd. 48651
82 2015-16 West Bengal Sarat Sarat Tea Company 1172000
83 2015-16 West Bengal Simulbari Simulbari Tea Co. Pvt Ltd 146000
84 2015-16 West Bengal Dima Surajgobind Tea Co. Ltd 430196
85 2015-16 West Bengal Manabari Todi Tea Co. Ltd. 411952
86 2015-16 West Bengal Sundaram T.F. Sundram Agro Products Pvt. Ltd. 1772586
87 2016-17 West Bengal Hrithik Investment T.F. Hrithik Investment Pvt Ltd 28077
88 2016-17 West Bengal MadhuJyanti T.F. MadhuJyanti International Ltd 53421
89 2014-15 Kerala Achoor H.M.L 35,604.00
90 2014-15 Kerala Chundauvarrai KDHP Ltd 44,231.00
91 2015-16 Tamil Nadu Havukal Havukal T.E. 25,00,000.00
92 2015-16 Tamil Nadu Arivikad KDHP 1,00,000.00
93 2015-16 Kerala Chundavurrai KDHP 18,68,968.00
Total 6,55,74,714.00